



OFFICE OF THE INSPECTOR GENERAL

NEWS RELEASE:

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The Office of Inspector General (OIG) is examining allegations that improper payments were made to certain developers incident to the implementation of the County's West Germantown Development District (WGDD) and/or Clarksburg Town Center Development District (CTCDD). The examination is an outgrowth of the OIG's August 2007 review of CTCDD road construction and water main capital improvements program (CIP) projects, and allegations recently received.

The examination includes reviewing costs associated with the: 1) Hoyles Mill Wastewater Pumping Station, built in 2000-2003 as part of the WGDD CIP project to serve the Kings Crossing subdivision; and 2) 20" Water Main project completed about the same period as part of the planned CTCDD. The \$2 million development district cost of the Hoyles Mill Pumping Station was part of approximately \$13 million in bonds issued by Montgomery County Government to finance the cost of acquiring certain road, park and sewer improvements for the WGDD. The bonds are payable from special taxes and assessments levied by the County on taxable property within the WGDD.

The allegations include concerns that certain developers were paid twice for the same pumping station or other construction costs – once by Montgomery County Government through bond proceeds and also by the Washington Suburban Sanitary Commission (WSSC) through system development charge (SDC) credits.

Anyone interested in providing information about the WGDD and/or CTCDD projects is encouraged to contact the OIG via its confidential fraud hotline at 1-800-971-6059. The OIG is an independent office that serves as a watchdog to prevent and detect fraud, waste, and abuse in County Government and County-funded agencies. Its mission includes reviewing the efficiency and effectiveness of programs and operations, and making recommendations to increase legal, fiscal, and ethical accountability.